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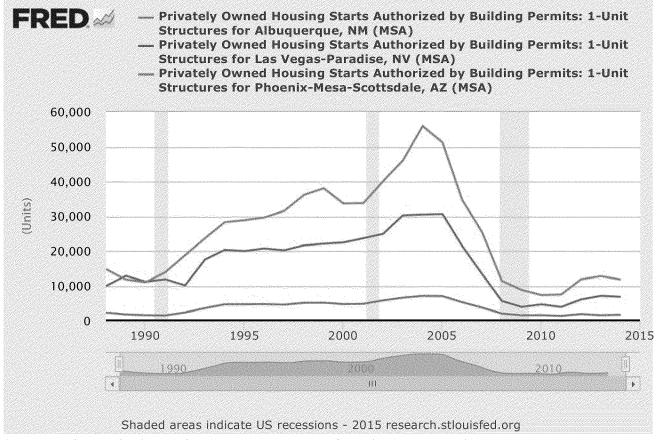
FOR PEOPLE WHO CARE ABOUT THE WEST

Huge new 'communities' planned for Tucson, Albuquerque

Sprawl rises from its slumber, but urban renaissance is still thriving.

Jonathan Thompson | April 27, 2015 | Web Exclusive

In these post-Recession days, the master planned community building frenzy of the first half of the 2000s can seem like a dream, a fantasy, a mirage that was blown away by financial realities. During the height of the housing boom, almost 60,000 single-family homes were built in the greater Phoenix metro area in just one year, almost all of them plopped down in the desert on the city's fringe; Las Vegas got 30,000 new homes in a year. Contrast that to less than 13,000 and 7,000, respectively, in post-bust years. More fantastical was the scale of developments that were planned but never built. Buckeye, Arizona, a once-tiny alfalfa-farming town some 40 miles west of downtown Phoenix, expanded its boundaries to cover more than 250 square miles, and approved two dozen developments to someday house 300,000 people.



Customize | Download Data | FRED - Economic Data from the St. Louis Fed

Nearly all of those planned and approved "communities" still sit empty. The housing bust killed, or at least stalled indefinitely, the mad rush into the desert, but it was aided and abetted by demographic shifts and a renewed desire to live somewhere besides a placeless suburbia. People were ditching their cars and the long and expensive commute. They gave up the dream of homeownership and headed instead to apartments in the urban core and along public transit lines. Even as the fringe building frenzy withered into the desert, the downtowns of Denver, Phoenix, Tucson and even Las Vegas were getting new life (http://www.hcn.org/issues/46.20/two-cities-develop-public-transportation), reversing the declines that began back in the '50s. If sprawling suburbia wasn't dead, it was at least taking a pause for the first time since World War II.

The hiatus appears to be over. A year ago, we <u>reported</u> (http://www.hcn.org/blogs/goat/the-suburbs-are-dead-long-live-the-suburbs) that population growth patterns had shifted, and that suburban areas had again become the fastest growing places in the nation. Now it looks like new development is revving back up again, too, or at least it's trying. A couple of examples:

- On the west edge of Albuquerque, developers have proposed turning almost 14,000 acres of undeveloped land into a master planned community called <u>Santolina</u> (https://www.bernco.gov/Santolina/). If it gets county approval, Santolina could someday have 38,000 households and nearly 100,000 people, or about one-fifth the current population of Albuquerque. Growth trends would have to kick up quite a bit to fulfill the plans, though. Albuquerque's population increased by just 10,000 between 2010 and 2013. Homebuilding is sluggish, at best. And the city currently has more than 16,000 vacant housing units and hundreds of empty lots in subdivisions approved during the last building boom. Meanwhile, Albuquerque's main urbanized footprint still has plenty of open areas that could be developed to house an influx of population, if there ever is one.
- A proposal to build Villages at Vigneto (http://www.bensonnews-sun.com/news/article_ebb29d38-e146-11e4-bf4c-9f49bb0216fc.html), a Tuscan-inspired, mixed-use development containing some 28,000 homes slated for the desert south of Benson, Arizona, is currently going through the permitting process. Yes, that's Tuscan-inspired, not Tucson-inspired, though the development will essentially be a detached exurb of the latter. Benson's about 45 miles southeast of downtown Tucson, with a sizable swath of open desert between Tucson's urban fringe and the planned development, making it classic, Arizona leapfrog-style sprawl. If built out as planned, the Villages will dwarf Benson, population 5,000 (and shrinking, according to Census data). A similar development in the same place was first proposed years ago, during the housing boom, but went dormant during the Recession. Tucson's once rapid growth and fringe development also slowed considerably during the downturn, and housing prices remain relatively low.

Both planned developments are in areas that are water-challenged even in wet years, a condition currently made worse by long-term droughts that are gripping the Southwest. Snowpack in the headwaters of the Rio Grande is at 35 percent of average for this time of year, and similarly dismal in the San Juan Basin, which Albuquerque relies on for water via the San Juan/Chama Diversion. Most of Arizona is in some degree of drought, too. Santolina will likely need to buy up water-rights
(history/) from farmers in the area, thus drying up fields, in order to keep all those projected faucets flowing. The Villages at Vigneto, meanwhile, will pull water from an aquifer that has connections to the ecologically-rich San Pedro River, potentially impacting the river or a nearby wetlands, the only one of its kind remaining in the

protected watershed, according to the Arizona Daily Star

(http://tucson.com/news/science/environment/huge-development-would-make-benson-times-bigger/article 4c5445db-2d91-578c-a23a-

37d2b31b670e.html#.VSIiLtlNb2A.gmail). It's well established that low-density, single-family home development, i.e. sprawl, is less energy- and water-efficient (http://www.smartgrowthamerica.org/research/paving-our-way-to-water-shortages), than compact, urban development.

In addition to these rather grandiose plans, there are other signs of a comeback of sorts for pre-bust growth patterns. Cheap gas prices are not only helping sales of big cars and drawing some ridership away from transit, but it also makes living out in the suburbs less expensive. And the most recent Census data (http://www.census.gov/newsroom/press-releases/2015/cb15-56.html) show that suburban areas are among the fastest growing places in the nation; Western cities in the top 10 include St. George, Utah, Bend, Oregon, and Greeley, Colorado.

So does this mean we've just gone back to those pre-Recession days of unfettered sprawl? Nope. Not yet, at least. The archetypical exurb of Buckeye, for example, issued about 750 building permits last year. That's more than in the depth of the Recession, but a fraction of what was issued during boom times, and those zombie subdivisions are still looking pretty dead. And a look at building permit statistics for Western states reveals an interesting trend: Yes, there is a rebound in construction, in general, but there's a significant surge in multi-family home construction, even in areas like Tempe and Phoenix, Arizona, where very little of such building occurred in the past.

Meanwhile, the urban renaissance that blossomed during the downturn shows no signs of wilting. If any Western city represents the return of the downtown, it's Denver, and multi-family, mixed-use development is going gangbusters there. Tucson's urban core has been spruced up significantly with the help of a new streetcar line. Phoenix's downtown continues slowly to come back to life, as well, and its inner-ring suburbs — Tempe, Mesa — are doing well. Even



Tucson's new streetcar line is one piece of a larger downtown renaissance.

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some outer-ring suburbs are hankering for light rail and pushing to become, well, less suburban.

Chances are, Santolina and the Villages at Vigneto and many other "communities" like them will get the go-ahead from local governments, with or without a proven water supply. The question is: Will people actually want to live there? Or will they just become the zombie subdivisions of the future?

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